RAJYA SABHA

Friday, the 24th August, 1990/the 2nd Bhadra, 1912 (Saka)

The House met at eleven of the clock **Mr. Chairman** in the Chair.

ORAL ANSWERS TO QUESTIONS

Revision of Support Prices of Agricultural Produce

*221. SHRI MAHENDRA PRASAD:†
SHRI SHIV PRATAP MISHRA:

Will the Minister of AGRICULTURE be pleased to state:

(a) whether Government have recently revised and raised the minimum support prices for various agricultural produce, including commercial crops and oilseeds and pulses;

(b) if so, the extent of such increase and the earlier prevailing price in respect of each item; and

(c) the factors that were taken into account in revising the prices?

THE MINISTER OF STATE IN THE DEPARTMENT OF AGRICULTURE AND COOPERATION IN THE MINISTRY OF AGRICULTURE (SHRI NITISH KUMAR): (a) and (b) Yes, Sir. A statement showing the revised procurement/minimum support prices for Rabi crops of 1989-90 to be marketed in 1990-91 and *procurement/minimum support prices* for Kharif crops of 1990-91 and the extent of increase over earlier prevailing prices is laid on the Table of the House. (*See* below)

(c) In recommending procurement/minimum support prices, the Commission for Agricultural Costs and Prices (CACP) takes into account a number of important factors like cost of production, changes in input prices input-output price parity, trends in market prices, demand and supply, inter-crop price parity, effect on industrial cost structure, effect on general price level, effect on cost of living, international market price situation and parity between prices paid and prices received. The Government have also revised the methodology for estimation of cost of production of crops by valuing labour at statutory minimum wage rate or actual wage rate whichever is higher and by evaluating managerial input as an item of cost at 10 percent of the total cost, to make procurement/minimum support prices more remunerative The revised methodology has been considered while revising/fixing the procurement/minimum suport prices for Rabi crops of 1989-90 and Kharif crops of 1990-91.

†The Question was actually asked on the floor of the House by Shri Mahendra Prasad

Statement

1. *Revised Procurement/Minimum Support Prices for Rabi Crops of* 1989-90

(Rs. per quintal)

Crop	Earlier fixed	Revised	Extent of increase
1	2	3	4
1. Wheat	200	215	15
2. Barley	160	180	20
3. Gram	370	420(421)*	50(51)
4. Toria	480	545	65
5. Sunflower	490	550	60

*Announced by Dy. PM/AM in Parliament.

2. *Procurement/Minimum Support Prices of Kharif Crops of* 1990-91

(Rs. per quintal)

Crop	1989-90	1990-91	Extent of increase in 1990-91 over 1989-90
1	2	3	4
1. Paddy			
Common FAQ	185	205	20
Fine	195	215	20
Superfine	205	225	20
2. Coarse Cereals FAQ (Jowar, Bajra, Maize & Ragi)	165	180	15
3. Pulses FAQ (Tur Arhar, Moong and Urad)	425	480	55
4. Groundnut-in-shell FAQ	500	580	80
5. Soyabean Yellow FAQ	370	400	30
6. Soyabean Black FAQ	325	350	25
7. Sunflower seed FAQ	530	600	70
8. Cotton:			
(i) F-414/H-777	570	620	50
(ii) H-4	690	750	60
9. VFC Tobacco (Rs./Kg)			
(i) F 2 Grade	12.50	Not yet fixed	—
(ii) L 2 Grade	13.50	Not yet fixed	—
10. Jute TD-5 Assam	295	320	25
11. Sugarcane (linked to a basic recovery of 8.5%) (Rs. per quintal)	22	23	1

SHRI MAHENDRA PRASAD: Mr. Chairman, Sir, I would like to know whether it is a fact that while announcing the Minimum Support Price of various agricultural products, Government ignored the recommendations of the two high power committees set up by it, namely, the Commission on Agricultural Costs and Prices and the C.H. Hanumantha Rao Committee, in regard to (i) inclusion of managerial costs in computation of production costs and (ii) inclusion of statutory minimum wages or actual wages whichever is higher in the computation. If so, what are the precise recommendations of these Committees which have been ignored and the reasons for disregarding the same?

SHRI VISHWANATH PRATAP SINGH: Sir, they have not been

ignored. In fact, the fact is otherwise. Immediately after the present Government came, I had, under my signature, given the recommendations that the statutory minimum wage rate or actual wage rate whichever is higher should be the basis of calculation of minimum price. The managerial inputs should also be taken into account as the farmer is also a manager and not only a labourer. The adjustment of procurement minimum support price should be announced before the harvesting season in case the increase in inputs cost is higher than the anticipated rise. So, these were the initiatives taken by the Government itself and given to the Committee. In fact the Hanumantha Rao Committee, the expert committee, had made recommendations that evaluation of labour including family labour on the basis of actual wages for casual labour should be taken into account. That was the recommendation. But the Government stuck to its recommendation and has given a more liberal basis of evaluation of the procurement price by sticking to the decision which I have given for taking the minimum wage or the actual wage whichever is higher. So, the fact is otherwise. It is not that the Government has neglected, but it has give na more liberal treatment. The recommendation was to calculate only on the basis of actual wages acording to the Hanumantha Rao Committee which we have not accepted. We have accepted our initial position for giving better prices and also, the managerial cost is at 10 per cent. Also, while the Expert Committee has said and already the CACP has said that we should anticipate the rise in prices and then announce it and seed not make further adjustments, we have said, "No. Adjustment will be made if there are changes or if there is any increase in the prices after this.". So, the Government has made a much more liberal revision.

SHRI MAHENDRA PRASAD: Sir, may I know from the honourable Prime Minister, who is in charge of Agriculture ministry now, whether the Government's attention has been drawn to the reported analytical study made by the ICAR revealing that most of the benefits of the scheme for increase in agricultural produce is likely to be bagged by 20 per cent of the landlord farmers and, if so, what is the Government's reaction to it and whether they will rationalise the scheme so that the benefits go to the poorer section of farmers?

I would also like to know whether he Government is aware that the small and marginal farmers have to resort to distress sale of their produce at prices much below the minimum support prices because of non-availability of storage capacity and transportation facilities and they are compelled to sell their produce to the middle men at the site instead of to the Government agencies and, if so, whether the Government has any plans to construct godowns in the rural areas to help the farmers all over the concountry and, if the Government has such plans, I would like to know the details of such a plan and also what other steps are contemplated to ensure that the small farmer is not compelled to sell his produce to middle men at lower prices than the minimum support price.

SHRI VISHWANATH PRATAP SINGH: Sir, we have got these matters under study. One is with regard to the benefits of the PDS to the weaker sections in the rural areas and there is a lot to be desired in that direction, confining the benefits of the PDS to the rural poor and the needy, and that will take care of one of the aspects and we are examining as to how to strengthen that.

The second point made by the honourable Member is that a very large also, the warehousing scheme is under compulsion to sell their produce at lower prices and they cannot retain their produce for better prices. Here number of weaker farmers are under examination and it is part of our

action plan and that will give support to the marginal farmers.

MR. CHAIRMAN: Yes, Mr. Shiv Pratap Mishra.

SHRI SHIV PRATAP MISHRA: Sir, my honourable friend, Mr. Mahendra Prasad, has just now asked the Prime Minister, who is in charge of Agriculture, whether the Government is aware of the distress of the farmers because of non-availability of godowns and transportation facilities in the villages. There are reasons for this. There are certain middle men. The small farmers are not able to go to the Government agencies to sell their produce because they do not have storage facilities and there are no proper transportation facilities in the villages. I would like to know whether there is any measure or scheme with the Government and, if so, the details thereof.

SHRI VISHWANATH PRATAP SINGH: This is a case of strengthening the procurement system by the FCI and we are giving attention to it so that the small farmer is not to sell his produce *via* middle men and if this facility is extended, it would ensure that these small farmers are not exploited by middle men and the warehousing scheme will also mitigate their problems in this respect.

MR. CHAIRMAN: Mr. Mohinder Singh Lather.

श्री महेन्द्र सिंह लाठर: मैं यह कहना चाहता हूं कि यह बहुत सामयिक कदम सरकार ने उठाया जो किसानों की उगाई हुई चीजों की कीमत बढ़ाई, यद्यपि इसमें उतना लाभ नहीं है, लेकिन जो भी कीमत बढ़ाई उससे किसानों को राहत मिली। मैं यह जानना चाहता हूं कि जिन जिन किसानों ने अपनी जिन्सें कीमतें बढ़ने से पहले बेच दी थीं, क्या सरकार ने यह फैसला किया है कि उनको भी वही भाव मिलना चाहिए जो बढ़ाई हुई कीमतों की हो? मुझे इसलिए के बारे में यह है कि अभी तक, मैं भी एक किसान हूं, मेरा भी जिन्स, गेहूं जो मंडी में गया था, वह 15 रुपये बढ़ाया गया था, वह मुझे नहीं मिला क्योंकि उससे पहले मैंने गेहूं बेच दिया था। लेकिन अभी तक सरकार ने यह फैसला नहीं किया कि जिन किसानों ने पहले बेचा था ....

श्री सभापति: ..पहले बेचा था उनको डिफरेंस मिलना चाहिये।

श्री महेन्द्र सिंह लाठर: दूसरा एक छोटा सा सवाल मैं यह पूछना चाहता हूं कि क्या प्रधानमंत्री जो इस बात पर भी विचार करेंगे, जैसे जो स्टारेज का मामला है, तो क्या सरकार जो उपजाई हुई किसानों की जिन्सें हैं, वह उनसे सीधे खरीदेगी और जो मिडिल मैन या कमीशन ऐजेंट बीच में आकर मुनाफा खाते हैं, उनको एलीमिनेट करके सीधा किसानों को फायदा पहुंचाने के बारे में क्या सरकार गौर करेगी?

श्री नितिश कुमार: सभापति महोदय, जो समर्थन मूल्य बढ़ाये गये थे बाद में, तो जिन किसानों ने पहले बेच दिया था उनको जो बीच का मार्जिन है, उसको अदा करने के बारे में सरकार ने फैसला ले लिया है और इस पर कार्यवाही की जा रही है।

MR. CHAIRMAN: Very good.

श्री नितिश कुमार: इस बारे में आदेश चला गया है और सरकार की तरफ से पैसा भी रिलीज किया जा चुका है। मिडिल मैन के माध्यम से जो बेचते हैं उनकी सुविधा के लिये अधिक से अधिक सेंटर खोलने का सरकार का विचार है। फूड कारपोरेशन आफ इंडिया और स्टेट कोआपरेटिव्स एजेंसी जो हैं, उनके द्वारा इसकी परचेज करने की दिशा में तेजी से कार्यवाही हो रही है।

MR. CHAIRMAN: Yes, Mr. Jadhav.

SHRI VITHALRAO MADHAVRAO JADHAV: Sir, it is clear from the statement laid on the Table that the

prices of agricultural commodities have been increased. Sir the previous Government, that is, our party Government brought the prices from Rs. 150 to Rs. 200 per quintal and this Government, within a short span of time, brought it from Rs. 200/- to Rs. 215/- per quintal. My point is that the maximum remunerative prices have been given to the oilseed crops and the increased price is from Rs. 500/- to Rs. 580/-. As an agricultural scientist and also as a farmer, I can say that from three kilos of groundnut one kg. of oil can be extracted and for three kgs. the Government is giving Rs.17.40 while groundnut oil is sold in the market at the rate of Rs. 32/- per kg. If a price of only Rs. 17.40 is allowed for groundnut, then, definitely, Sir, groundnut oil should be sold at Rs. 20/-or Rs. 21/- per kg. whereas it is sold at Rs. 32/- a kilo.

MR. CHAIRMAN: What is your question? Everybody has understood your point.

SHRI VITHALRAO MADHAVRAO JADHAV: Sir, this is also a policy matter because the Government has also declared that palmolene will be sold in the market at Rs. 22/- a kilo. I would only like to tell the Prime Minister that an amount of Rs. 12/- is being taken away by the middle men per kilo of oil. Sir, several times the Government has declared that it will give parity of prices to agriculture on par with industry. I would like to know what would be the share of the middle men. Are you going to dispense with the middle men or are you going to monitor the whole thing so that some portion of the benefit goes to middle men also? What is the ratio of benefit between the producer and the consumer? What should be the ratio of benefit between the farmer and the consumer?

श्री सभापति: आपका क्वेश्चन खत्म हुआ या नहीं ?

श्री विठ्ठलराव माधवराव जाधव: हो गया, यह लास्ट क्वेश्चन है ।

श्री सभापति: आपके चार-चार बार कहने से बहुत कुछ सबकी समझ में आ गया ।

श्री विठ्ठलराव माधवराव जाधव: यह बहुत ही इम्पार्टेंट है ।

श्री सभापति: दस बार कहने से कोई फायदा नहीं है । यहां पर सब समझदार बैठे हुए हैं । यहां आप सबको समझदार मानकर चलिये ।

श्री विठ्ठलराव माधवराव जाधव: सर, मेरा प्रश्न ऐसा है

SHRI A. G. KULKARNI: Sir, he is an agricultural scientist.

MR. CHAIRMAN: He does not need a supporter. He is a Jadhav and he does not need the support of Kulkarni!

SHRI VITHALRAO MADHAVRAO JADHAV: Sir, I want an answer from the Prime Minister because he has stated this in his manifesto and also made several statements.

श्री सभापति: ठीक है, आपने कहा, वे जवाब अभी दे रहे हैं किस्सा खत्म । यह प्रश्न काल है बाबा । . . . **(व्यवधान)** . . सुनिये इतना बड़ा प्रश्न नहीं चाहिये । यह बुरी बात हो गई है। इसीलिये सब लोग मुझसे शिकायत करते हैं कि प्रश्नकर्त्ता घंटों तक बोलते रहते हैं ।

श्री सभापति: आप पूछिये लेकिन प्वाइंटेड प्रश्न होना चाहिये।

श्री नितिश कुमार: सभापति महोदय, यह प्रश्न कृषि उत्पादों के समर्थन मूल्यों से संबंधित है और माननीय प्रधानमंत्री जी ने स्पष्ट रूप से बता दिया है कि किस प्रकार से फारमर्ज के बेनिफिट में सरकार ने निर्णय लिया है ताकि उनको ज्यादा

रेमुनरेटिव प्राइस मिले । इस बात का ख्याल रखा गया है । मेथोडोलोजी के बारे में भी बताया गया है । माननीय सदस्य यह जानना चाहते हैं कि कृषि को उद्योग का दर्जा दिया जाएगा या नहीं दिया जाएगा । इसके लिए भानु प्रताप सिंह जी की अध्यक्षता में एक कमेटी गठित की गई थी । उस कमेटी ने अपनी रिपोर्ट 31 जुलाई को दे दी है और वह सरकार के विचाराधीन है ।

श्री सभापति : प्रश्न सिम्पल है । जो दाम मिल रहा है किसानों को और जिस दाम में तेल आता है उसके बीच में 10 रुपये का मार्जिन आ रहा है उसको क्या आप रोकने का प्रयास करेंगे ।

श्री नितिश कुमार : सभापति महोदय, सरकार ने मार्केट इंटरवेंशन स्कीम एन. डी.डी.बी. के माध्यम से चलाई है ताकि उत्पादक को ज्यादा दाम मिले और उपभोक्ताओं को भी चीजें वाजिब दाम पर मिलें ।

श्री सभापति : उन्होंने तो सिर्फ मूंगफली के तेल के बारे में पूछा है ।

श्री नितिश कुमार : तेल में भी, एडिबल आयल में और आयल सीड में मार्केट इंटरवेंशन स्कीम के एजेंसी एन. डी. डी. बी. है । वह इस काम को करती है । सरकार का यह प्रयास है कि मूल्यों को नियंत्रित रखा जाए और मार्जिन भी ज्यादा न बढ़ें ।

SHRI VITHALRAO MADHAVRAO JADHAV: The reply to my question is not complete. What are they going to do about Rs. 12/- which the middleman is gaining?

MR. CHAIRMAN: What can I do? I have put it and he has given a general answer.

SHRI VISHWANATH PRATAP SINGH: First, we have the stock limits so that there is no hoarding. The point that he made is that a certain price should come after taking into account the processing charges and the profit. But the prices are higher. This benefit should go to either the farmer or the consumer rather than the middleman, that is his specific point. Then he has raised the relevant issue about the price rise of edible oils. We have two or three steps for that in the matter of management. One is that we have applied the credit squeeze so that the hoarding capacity is reduced. We have fixed a ceiling limit regarding edible oil. Recently we have carried out raids to apply this pressure particularly on the bigger stockists. The bigger stockists have been recently raided all over the country. So, we are applying all these pressures.

As the Minister of State has replied, it is true that the Bhanu Pratap Singh Committee report regarding industry has been given. The basic issue is that some of the substantive things should be done. Only label does not matter. It is one of our biggest industry and it is most important. Some of the substantive issues are that restrictions regarding movement of agricultural produce should be removed within the country. The Government sees a lot of force in this and would also interact with the States and with the Chief Ministers so that there should be no barrier on the movement of products of the farmers. So, he gets a better price within the country.

The other recommendation was about exports. There is a rationale behind it. It will enable the farmer to get the benefit of the external market.

MR. CHAIRMAN: He has not asked any question about exports. He said by the way....

SHRI VISHWANATH PRATAP SINGH: Sir, I am telling you....

MR. CHAIRMAN: It does not arise out of his question.

SHRI VISHWANATH PRATAP SINGH: Then I can say in short that we are inclined to give agriculture the maximum benefit as one of the most important industries in the country. (*Interruptions*).

श्री सभापति : भानु प्रताप सिंह कमेंटी पर सवाल नहीं है ।

SHRI VISHWANATH PRATAP SINGH: I am coming to that, Sir. May I also add all those points about added value. So, these are the points. We are positively inclined to accept these points. May be overnight we cannot give a shock to the economy. But we will go towards it in a phased way and treat it as an industry.

SHRI DIPEN GHOSH: Mr. Chairman, Sir, it is welcome that the National Front Government, in order to benefit the farmers, has announced increased support price. Since the Prime Minister is in charge of Agriculture, I want to know how much the issue price of some of these foodgrains and cereals which are distributed through the Public Distribution System, has been increased immediately after the support price was improved. Sir, you will appreciate...

MR. CHAIRMAN: You put your question.

SHRI DIPEN GHOSH: ...with the increasing of the issue price of the cereals or foodgrains distributed through the public distribution system, the prices of these items have gone up, and there is an attempt to mop up this money from the consumers. So, I want to know whether the Government is proposing to give certain subsidy to reduce the prices of the foodgrains supplied through the public distribution system.

MR. CHAIRMAN: I could get what you are driving at.

SHRI VISHWANATH PRATAP SINGH: Sir, it does have an effect on the issue price when we raise the procurement price. But in many items, we have not fully passed it on. In some we have passed on, and in some we retained. (*Interruption*). The alternative is of increasing the subsidy. As I have already answered, one is that the benefit of the PDS goes to the really needy section. So, we can benefit them if we can reach it to the really needy persons. We are examining this because it has its implications. And I am sharing with you the thought process of the Government. At the same time, the law of economics should also be seen. We can give on the one hand by increasing the subsidy, and adjust it, and take away on the other by deficit and large scale inflation. So, the law of economics is like the law of physics. So, our attempt will be that the inefficiencies in the Food Corporation, etc.. and the other inefficiencies by which the cost goes up be reduced, and the target groups of the population get the benefit of the PDS.

SHRI DIPEN GHOSH: Is there any move to reduce the issue price because the issue prices have been increased?

SHRI VISHWANATH PRATAP SINGH: The raise that has been given is the minimum possible.

MR. CHAIRMAN: Shri Ram Naresh Yadav.

श्री राम नरेश यादव : माननीय प्रधान मंत्री जी ने दिखाने का प्रयास किया है कि हमने...

श्री सभापति : अब आप प्रश्न कर लें । 22 मिनट हो चुके हैं ।

श्री राम नरेश यादव : मैं उसी पर प्रश्न कर रहा हूं ।

हमने दाम बढ़ाकर, किसानों को अधिक देकर किसानों को फ़ायदा पहुंचाया है। लेकिन वास्तविकता इसके विरुद्ध है। इसलिये कि आपने अपने बयान में यह लिखा है कि बाजार मूल्यों का रुख मांग और आपूर्ति और आदान मूल्यों में परिवर्तन, अन्तर फ़सल मूल्य समानता, इन तीनों चारों चीजों को ध्यान में रख कर हमने दामों को जो पिछले समय तय किये गये थे उनको बढ़ाया था। जब यह बात आती है महोदय, तो मैं जानना चाहता हूं कि इस समय जो आपने तिलहन, दलहन, चने आदि के दाम कहीं 20-25 और 55 रुपये बढ़ाये हैं, इनमें निश्चित रूप से जो बाजार में बढ़ते हुये दामों का रुख था उस पर ध्यान नहीं दिया गया क्योंकि आज जैसा कि मेरे एक मित्र ने कहा सरसों के तेल का दाम 32 रुपये, चने का दाम 14 रुपये, दलहन तिलहन का दाम 14 रुपये हैं, इसमें आपने दिया है 400 रुपये। तीन गुना दाम इधर बढ़े हैं। अगर इस पर ध्यान दिया गया होता तो निश्चित रूप से किसानों को लाभ होता इसलिये मैं जानना चाहता हूं कि भविष्य में वे आगे जब इस पर विचार करेंगे तो बाजार में जिस तरह से इन चीजों के मूल्य बढ़ रहे हैं किसानों के घर से निकलने के बाद, उस का भी ध्यान रखा जायेगा या नहीं रखा जायेगा। दूसरी बात यह है कि छोटे-छोटे किसान बेचारे गरीब हैं, छोटी खेती है। वे तो जो पैदा करते हैं बाजार में तुरन्त बेच देते हैं और अपना काम चलाते हैं। उनको ये दाम मिल नहीं पाते हैं। इस लिये गरीब किसान जो मजबूर होकर बेचते हैं वे अपनी फ़सल का दाम नहीं पाते हैं, जिनका शोषण होता है, इसको रोकने के लिये सरकार के पास क्या योजना है?

श्री सभापति: डिस्ट्रेस सेल न करनी पड़े।

श्री विश्वनाथ प्रताप सिंह: छोटे किसानों के लिये कि वे मजबूरी में बेच न पाये, मैं वेयर हाउसिंग के बारे में पहले ही उत्तर दे चुका हूं और पी.डी. सिस्टम भी जो है उसका विस्तार किया जाय; जो गरीब तबके के लोग हैं जिनको बेचना पड़ता है उनके बारे में पहले कह चुका हूं। दलहन और तिलहन के भावों के बारे में कहा गया। खास तौर से इसमें कमी है पूरे उत्पादन की और इस दिशा में बाहर से भी जो मंगाते थे, हम लोग, उन देशों में भी अब दाल खाने का रिवाज कम हो रहा है तो उनसे, बाहर से भी मंगाने में कमी आती है, गोया इसको ओ.जी.एल. पर भी रखा गया है। खास तौर से प्रयास इस दिशा में करना है कि इसका उत्पादन बढ़े, दलहन तिलहन का उत्पादन बढ़े और रिसर्च पर रिसर्च की जा रही है कि इसकी उत्पादकता बढ़ायी जाय। दामों के बढ़ते में केवल अगर गेहूं के दाम बढ़ते जायें और दलहन तथा तिलहन के रिलेटिव प्राईस दबे रहेंगे तो जो हम कराना चाहते हैं और जो हम आत्मनिर्भरता ले आना चाहते हैं दलहन और तिलहन पर नहीं हो सकती है। जब अच्छे दाम मिलेंगे तो उससे ज्यादा करके उसके भाव में स्थायित्व आयेगा।

*222. [*The questioner (Shri Ghufran Azam) was absent. For answer* vide *col. infra*].

Blueprint for model villages in the country

*223. Shri S. Madhavan: Will the Minister of AGRICUTURE be pleased to state:

(a) whether Government are preparing a Blueprint for fully equipped model villages with piggery, roller mill, farmers houses in the country;

(b) if so, what are the details thereof; and

(c) whether the former Agriculture Minister had sought any help from the Chinese Government to promote such villages in the country?